

EXHIBIT 1

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

HAMILTON RESERVE BANK LTD.,

Plaintiff,

v.

THE DEMOCRATIC SOCIALIST REPUBLIC
OF SRI LANKA,

Defendant.

Case No.: 22-cv-5199 (DLC)

**SUBMISSION FOR THE STEERING COMMITTEE OF THE AD HOC
GROUP OF INTERNATIONAL BONDHOLDERS AS AMICUS CURAE**

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August 28, 2024

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Members of the Steering Committee of the ad hoc group of international bondholders of the Republic of Sri Lanka (“Sri Lanka”) (the “Steering Committee”), which includes some of the world’s largest financial institutions,¹ respectfully submits this brief as amicus curae in connection with Sri Lanka’s July 30, 2024 Motion for a Further Stay of Proceedings, ECF No. 106 (the “Stay Motion”).

Sri Lanka has been working towards restructuring its external debt for more than two years, following the announcement in April 2022 that it would be suspending principal and interest payments on its foreign debt,² including more than \$12.5 billion of international bonds.

In March 2024, Sri Lanka engaged in initial restricted negotiations with the Steering Committee of the ad hoc group of international bondholders (the “Bondholder Group”) on a possible comprehensive restructuring of the international bonds.³ Building on the progress that was made during the initial discussions, the parties agreed to resume restricted negotiations in late June 2024. After several days of difficult in-person negotiations, Sri Lanka and the Steering Committee agreed on a “Joint Working Framework” for a comprehensive restructuring under which bondholders would (i) forgive approximately US\$4 billion owing under the international bonds, (ii) defer near-term maturities, and (iii) provide more than US\$9 billion of cash flow relief to Sri Lanka during the International Monetary Fund (“IMF”) program (2023-2027).⁴ Through

¹ The members of the Steering Committee that submit this brief are the following institutions: Amundi (UK) Limited; Barings LLC; Grantham, Mayo, Van Otterloo & Co. LLC (GMO); HBK Master Fund L.P.; and T. Rowe Price Associates, Inc.

² See, e.g., Press Release, *Sri Lanka’s International Sovereign Bond Restructuring* (July 4, 2024), <https://treasury.gov.lk/api/file/b0f5c1c0-9cd6-484e-8d00-8f6c7b7b0ba9>.

³ At no time during Sri Lanka’s financial crisis has Hamilton Reserve Bank meaningfully engaged with the Ad Hoc Group with respect to a potential restructuring of Sri Lanka’s debt.

⁴ Press Release, *Sri Lanka’s International Sovereign Bond Restructuring* (July 4, 2024), <https://treasury.gov.lk/api/file/b0f5c1c0-9cd6-484e-8d00-8f6c7b7b0ba9> (“The Joint Working Framework negotiated with the AHG provides a fair balance of risk sharing and sufficiently addresses the concerns of Sri Lanka and the requirements of bondholders.”)

debt forgiveness and an extended period of significant cash flow relief, the Joint Working Framework is intended to provide Sri Lanka with a path to sustainable growth and financial stability.

The implementation of the contemplated bond restructuring under the Joint Working Framework is expressly subject to formal confirmation by the IMF that the bond restructuring complies with Sri Lanka's IMF program debt sustainability targets. In addition, the Steering Committee understands that the Official Creditor Committee (the "OCC") representing Sri Lanka's nonprivate, official creditors,⁵ is considering whether the bond restructuring complies with the "comparability of treatment" provisions in the OCC's restructuring agreement with Sri Lanka.

While the Steering Committee understands that there have been discussions among Sri Lanka and the IMF and OCC regarding the Joint Working Framework, as of the date hereof, the international bondholder community continues to wait for confirmation that the comprehensive bond restructuring can be completed. Given the uncertainties relating to the upcoming presidential elections in Sri Lanka (scheduled for September 21, 2024),⁶ as well as the risk that other bondholders may commence litigation against Sri Lanka, the Steering Committee is concerned that delay could threaten the significant progress that has been made by Sri Lanka. The Steering Committee does not take a position on the relief sought by Sri Lanka in the Stay Motion, but the

⁵ The OCC is comprised of the representatives of the following countries with claims against Sri Lanka: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Hungary, India, Japan, Korea, the Netherlands, Russia, Spain, Sweden, the United Kingdom, the United States of America. The OCC is chaired by India, Japan, and France. See Statement, Agreement on a Memorandum of Understanding Between the Official Creditor Committee and Sri Lanka on a Debt Restructuring (June 26, 2024), <https://clubdeparis.org/en/communications/press-release/agreement-on-a-debt-restructuring-between-the-official-creditor>.

⁶ *Sri Lanka Bonds Decline as Debt Deal Runs Into Election Calendar*, Bloomberg (Aug. 21, 2024), <https://www.bloomberg.com/news/articles/2024-08-21/sri-lanka-bonds-decline-as-debt-deal-runs-into-election-calendar>.

Steering Committee believes it is critical that the bond restructuring contemplated by the Joint Working Framework is launched by the middle of September 2024. The Steering Committee is committed to working with Sri Lanka to achieve that result.

Dated: August 28, 2024
New York, New York

Respectfully submitted,

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